
NEW QUEBEC RAGLAN
MINES LIMITED

ANNUAL REPORT-1976

NEW QUEBEC RAGLAN
MINES LIMITED

HEAD OFFICE

40th Floor, Commerce Court West.....Toronto

DIRECTORS

Marsh A. Cooper.....Toronto

*E. T. Donaldson.....Toronto

F. A. Godfrey.....Toronto

Lionel C. KilburnToronto

G. P. Mitchell.....Toronto

J. R. Smith.....Toronto

*Deceased

OFFICERS

J. R. Smith.....President

Marsh A. Cooper.....Vice-President

D. D. Anderson.....Secretary

J. D. Krane.....Treasurer

AUDITORS

Thorne Riddell & Co.....Toronto

REGISTRAR AND
TRANSFER AGENT

The Sterling Trusts Corporation

372 Bay Street.....Toronto

ANNUAL MEETING

Thursday, April 21, 1977

2:30 p.m. (Toronto Time) — Elizabeth Room

King Edward Hotel, Toronto, Ontario



Digitized by the Internet Archive
in 2023 with funding from
University of Alberta Library

https://archive.org/details/NewQ0621_1976

NEW QUEBEC RAGLAN MINES LIMITED

P.O. BOX 40, COMMERCE COURT WEST,
TORONTO, ONTARIO, CANADA M5L 1B4

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS

The properties, as indicated on the plan included in this report, consist of Mineral Exploration Permits covering some 300 square miles and 157 mining claims held under development licenses in five separate groups. During the year, 77 mining claims were dropped but the balance of the property was maintained in good standing. No exploration or development work was performed during the year. Maintenance and administrative costs less interest credits amounted to \$93,128.

The consolidated financial statements of the Company and its subsidiary, Raglan Quebec Mines Limited, for the year ended December 31, 1976 are included in this report.

Ore Reserves

Ore reserves did not change during the year and are estimated, including dilution, as follows:

	<u>Tons</u>	<u>Grade</u> <u>% Ni</u>	<u>% Cu</u>
Donaldson Mine — Underground Exploration			
Well assured reserves	3,021,000	3.06	0.73
Katiniq Deposit — Surface Drilling			
Indicated by closely spaced holes	5,276,000	2.42	0.70
Assumed extensions of ore within lateral limits of drilling	5,000,000	2.42	0.70
2 - Area — Surface Drilling	660,000	2.43	0.72
Assumed extensions of ore within lateral limits of drilling	500,000	2.43	0.72
3 - Area — Surface Drilling	1,093,000	2.81	0.69
Assumed extensions of ore within lateral limits of drilling	500,000	2.81	0.69
	<u>16,050,000</u>	<u>2.58</u>	<u>0.71</u>

It is with regret that we announce the death of Mr. Evan T. Donaldson who was a director of your Company for nineteen years. Mr. Donaldson had great faith in the future of your Company and his guidance and encouragement will be missed by the directors.

On behalf of the Board of Directors,

J. R. SMITH,
President.

March 15, 1977.

NEW QUEBEC RAGLAN

(Incorporated under the laws of the Province of Quebec)

and its subsidiaries

Raglan Quebec Mines Limited

CONSOLIDATED BALANCE SHEET

(with comparative figures for 1975)

ASSETS

CURRENT ASSETS

	1976	1975
Cash and short term securities, at cost which approximates market value	\$ 117,172	\$ 220,916
Accrued interest receivable		493
Prepaid insurance	6,200	3,994
	<u>123,372</u>	<u>225,403</u>

FIXED ASSETS

Mineral exploration licences and staked claims in the Cape Smith-Wakeham Bay area of Ungava, Quebec, at cost	81,000	81,000
Buildings and prospecting equipment, at nominal value	1	1
	<u>81,001</u>	<u>81,001</u>

DEFERRED EXPENDITURES

Exploration, development and other expenditures deferred (notes 2 and 4)	28,315,223	28,222,095
	<u>\$28,519,596</u>	<u>\$28,528,499</u>

AUDITOR'S REPORT

To the Shareholders of

New Quebec Raglan Mines Limited

We have examined the consolidated balance sheet of New Quebec Raglan Mines Limited and its subsidiaries as at March 24, 1977, and the consolidated statement of operations and other expenditures deferred and changes in financial position for the year then ended in accordance with the standards of the Institute of Chartered Accountants of Canada, and accordingly included such tests and other procedures as we considered necessary.

In our opinion, these consolidated financial statements present fairly the financial position of New Quebec Raglan Mines Limited and its subsidiaries as at March 24, 1977, and the results of their operations and the changes in their financial position for the year then ended in accordance with that of the preceding year.

Toronto, Canada

March 24, 1977

AN MINES LIMITED

(In accordance with the laws of Ontario)

company

(No Personal Liability)

AS AT DECEMBER 31, 1976

(December 31, 1975)

LIABILITIES

CURRENT LIABILITIES

	1976	1975
Accounts payable and accrued liabilities	\$ 260	\$ 9,163

MINORITY INTEREST

Preferred shares of subsidiary company issued to Falconbridge Nickel Mines Limited (notes 2 and 3)	17,261,029	17,261,029
--	------------	------------

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized — 8,000,000 Shares of \$1 each		
Issued — 7,760,294 Shares (note 2)	7,760,294	7,760,294

PREMIUM ON SHARES	3,626	3,626
-------------------------	-------	-------

7,763,920 7,763,920

CONTRIBUTED SURPLUS ARISING FROM REDUCTION OF CAPITAL IN 1965	2,197,496	2,197,496
---	-----------	-----------

RETAINED EARNINGS	1,296,891	1,296,891
-------------------------	-----------	-----------

11,258,307 11,258,307

\$28,519,596 \$28,528,499

Approved by the Board,

J. R. SMITH, Director.

P.-E. AUGER, Director.

REPORT

Limited as at December 31, 1976 and the consolidated statements of exploration, the year then ended. Our examination was made in accordance with generally accepted accounting principles as we considered necessary in the circumstances.

financial position of the company as at December 31, 1976 and the results of its operations in accordance with generally accepted accounting principles applied on a basis consistent with the financial statements.

THORNE RIDDELL & CO.

Chartered Accountants

NEW QUEBEC RAGLAN MINES LIMITED

and its subsidiary company

CONSOLIDATED STATEMENT OF EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES DEFERRED

Year Ended December 31, 1976
(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
Exploration and development		
Indirect costs		
Property maintenance	\$ 90,040	\$ 96,294
Administrative	17,362	43,677
Total expenditures for the year	<u>107,402</u>	<u>139,971</u>
Deduct interest earned	14,274	22,117
NET EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES	<u>93,128</u>	<u>117,854</u>
EXPENDITURES DEFERRED AT BEGINNING OF YEAR	28,222,095	28,104,241
EXPENDITURES DEFERRED AT END OF YEAR (note 4)	<u><u>\$28,315,223</u></u>	<u><u>\$28,222,095</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31, 1976
(with comparative figures for 1975)

	<u>1976</u>	<u>1975</u>
WORKING CAPITAL DERIVED FROM		
Interest earned	\$ 14,274	\$ 22,117
WORKING CAPITAL APPLIED TO		
Exploration, development and other expenditures	<u>107,402</u>	<u>139,971</u>
DECREASE IN WORKING CAPITAL	<u>93,128</u>	<u>117,854</u>
WORKING CAPITAL AT BEGINNING OF YEAR	216,240	334,094
WORKING CAPITAL AT END OF YEAR	<u><u>\$ 123,112</u></u>	<u><u>\$ 216,240</u></u>

NEW QUEBEC RAGLAN MINES LIMITED

and its subsidiary company

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 1976

1. BASIS OF CONSOLIDATION

These financial statements include the accounts of the company and its subsidiary company, Raglan Quebec Mines Limited (No Personal Liability).

2. EXPLORATION AND DEVELOPMENT AGREEMENTS

In accordance with agreements entered into with Falconbridge Nickel Mines Limited, Falconbridge undertook exploration and development work on the subsidiary company's properties. As consideration Falconbridge receives:

One share of \$1 par value of the subsidiary's redeemable, cumulative preferred shares for each \$1 of expenditure and

One share of the common stock of New Quebec Raglan Mines Limited for each \$37.50 of expenditure.

The company has recorded the issuance of its shares at \$15 and \$12 per share which were the approximate fair market values of the shares at the dates of signing the agreements. Pursuant to the agreements, Falconbridge incurred expenditures for which shares have been issued as follows:

	<u>Expenditures</u>	<u>Preferred shares of subsidiary — par value</u>	<u>Shares of company — number</u>
Total at January 1, 1975	\$17,261,029	\$17,261,029	260,294
1975	Nil	Nil	Nil
1976	Nil	Nil	Nil
Total at December 31, 1976	<u>\$17,261,029</u>	<u>\$17,261,029</u>	<u>260,294</u>

Falconbridge has the right under the agreements to continue exploration and development on the properties, expend further amounts thereon up to \$2,738,971 and receive as consideration preferred shares of the subsidiary company at par value and in addition one share of the company's capital stock for each \$37.50 of such expenditure.

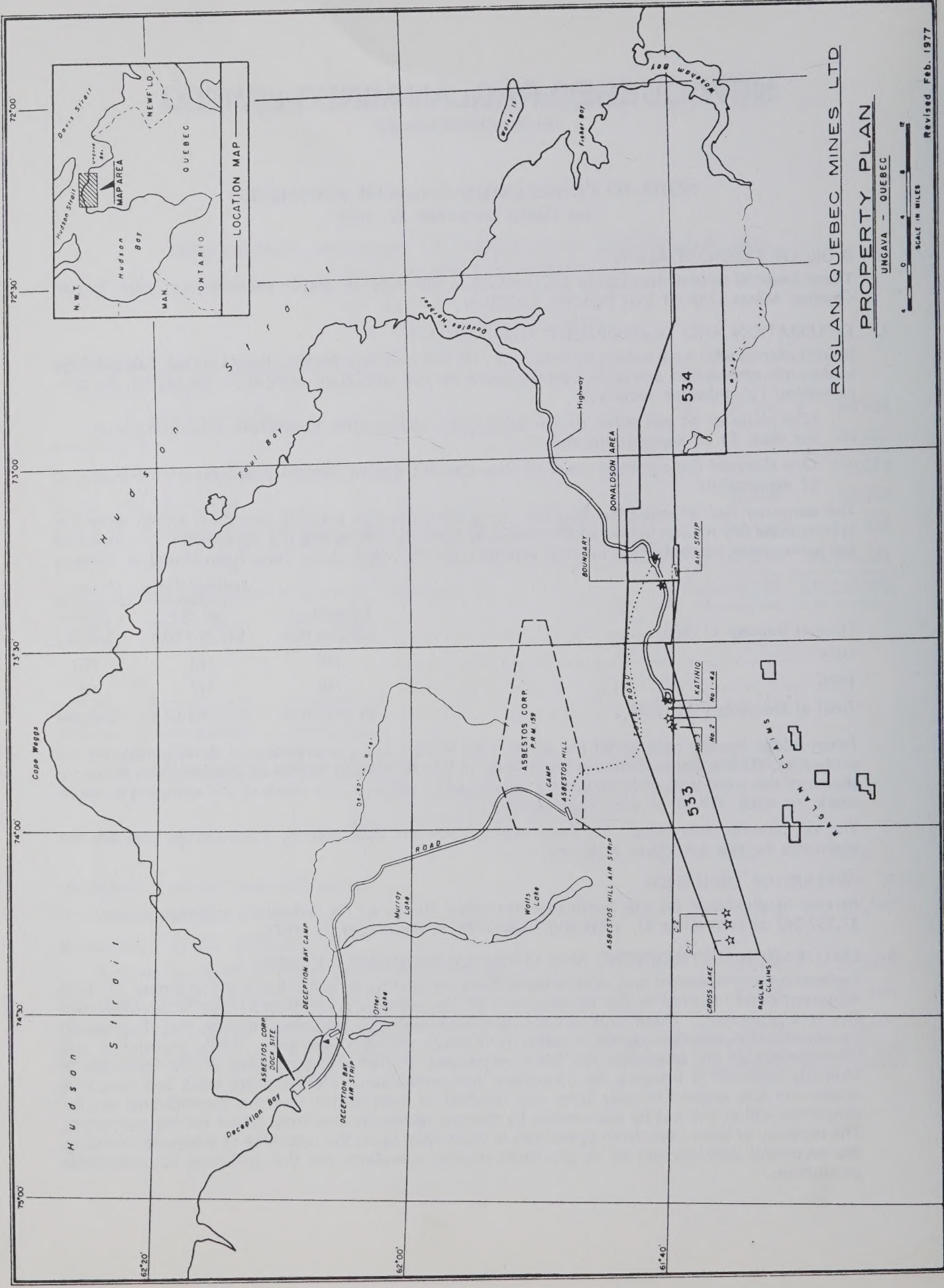
The tax benefits with respect to these expenditures are claimable by Falconbridge and are not claimable by the subsidiary company.

3. ARREARS OF DIVIDENDS

Arrears of dividends on the cumulative preferred shares of the subsidiary company amount to \$7,752,347 at December 31, 1976 and \$6,549,728 at December 31, 1975.

4. EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES DEFERRED

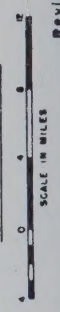
Exploration, development and other expenditures amounting to \$28,315,223 at December 31, 1976 represent costs incurred in the development of the subsidiary company's Cape Smith-Wakeham Bay area properties. These expenditures have been deferred with the intention that they should be amortized by charges against income from future mining operations. While exploration and development at the properties has been suspended, studies are continuing of the feasibility of alternate methods of bringing the properties into production. Development work and feasibility studies on this project to date have not resulted in conclusions that the expenditures on the properties will or will not be recoverable by charges against income from future mining operations. The recovery of these costs from operations is dependent upon the obtaining of adequate financing, the successful development of an economic mining operation, and the marketing of concentrate production.



RAGLAN QUEBEC MINES LTD.

PROPERTY PLAN

UNGAVA - QUEBEC



Revised Feb. 1977

